

February 28, 2020

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COMMISSION

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Dear Commissioners:

Washington, DC 20268

Postal Regulatory Commission

901 New York Avenue NW, Suite 200

I am writing on behalf of CARE and the millions of people around the world our organization helps serve in response to your proposal as a part of the Ten-Year Rate Review process to remove the Consumer Price Index (CPI) cap that now governs postage rates. The new formula proposed represent potential volatile postage price hikes that range from 28% - 40% or more over the next five years. We strenuously oppose this action, strongly urge you to reconsider this decision and want to tell you why.

CARE is a NGO based in Atlanta, GA. We are a global leader within a worldwide movement dedicated to ending poverty. We are known everywhere for our unshakeable commitment to the dignity of people. As a nonprofit mailer, direct mail is a critical component of our fundraising program, which allows us to partner with the US public to raise funds to save lives, defeat poverty, and achieve social justice around the globe. A third of CARE's annual income is generated from direct mail fundraising.

If the CPI capped rate making system were to change to the new proposed system the USPS is contemplating, the consequence our constituents will ultimately bear is tangible. If this postage rate hike is approved, it would affect our ability to carry out our mission. Last year alone CARE worked in 100 countries, serving more than 50 million people.

We believe the instability in postage costs presents an opportunity for our program to become overwhelmed and unsustainable. We have invested time and money to develop a mail fundraising program that meets current standards, is fiscally sound and is prepared for modest price increases. We have relied on the Postal Service's CPI capped rate increases to balance our fundraising budget and to plan for stability in the future. The sudden rate hikes that this rule change could represent would cripple our mailing programs. The USPS says it is our partner but springing a wholesale and drastic change such as contemplated here does not demonstrate collaboration. It is not how partners treat each other.

In the short run, and most likely the long run, we would suffer substantial lost revenue and a consequential loss of resources for our programs and those we serve. Unpredictable rate increases would lead to a further migration from mail to alternative means of fundraising and membership development. In terms of our fundraising mix, hard-copy USPS mail outperforms many digital options. Direct mail is a powerful fundraising tool, and we want to continue to utilize this tool in the future. We, like other nonprofit mailers, have long relied on our partnership with the Postal Service. We urge you to justify our reliance by declining to move this proposal any further.

Please note a copy of this letter has been sent to my Georgia State Senators David Perdue and Kelly Loeffler as well.

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Sincerely.

Angie C. Moore

Chief Individual Fundraising Officer